

succeeding calendar month. Under paragraph (c) of this section, Y's payment for February 1992 is \$300x (\$500x multiplied by \$1500x over \$2500x). The amount not paid to Y, \$200x (\$500x minus \$300x), is treated as certified by the Commission for Y during March 1992. On March 10, 1992, no certifications are received for X and Y, but the Secretary receives a certification by the Commission for Z in the amount of \$2600x. The Secretary does not receive any other certifications during March 1992. On March 31, 1992, the balance in the account is \$900x. Under paragraph (c) of this section, X's payment for March 1992 is \$200x (\$800x (the amount treated as certified by the Commission for X during March 1992) multiplied by \$900x (the balance in the account on the last day of March 1992) over \$3600x (the total amount treated as certified or actually certified by the Commission for all candidates during March 1992)). Under paragraph (c) of this section, Y's payment for March 1992 is \$50x (\$200x multiplied by \$900x over \$3600x). Under paragraph (c) of this section, Z's payment for March 1992 is \$650x (\$2600x multiplied by \$900x over \$3600x). The amounts not paid to X, Y, and Z for March 1992 are treated as certified by the Commission during April 1992.

PARTS 703-800 [RESERVED]

PART 801—BALANCED SYSTEM FOR MEASURING ORGANIZATIONAL AND EMPLOYEE PERFORMANCE WITHIN THE INTERNAL REVENUE SERVICE

Sec.

REGULATIONS APPLICABLE BEFORE OCTOBER 17, 2005

- 801.1 Balanced performance measurement system; in general.
- 801.2 Measuring organizational performance.
- 801.3 Measuring employee performance.
- 801.4 Customer satisfaction measures.
- 801.5 Employee satisfaction measures.
- 801.6 Business results measures.
- 801.7 Effective dates.

REGULATIONS APPLICABLE ON OR AFTER OCTOBER 17, 2005

- 801.1T Balanced performance measurement system; in general (temporary).
- 801.2T Measuring organizational performance (temporary).
- 801.3T Measuring employee performance (temporary).
- 801.4T Customer satisfaction measures (temporary).
- 801.5T Employee satisfaction measures (temporary).

801.6T Business results measures (temporary).

801.7T Examples (temporary).

801.8T Effective dates (temporary).

AUTHORITY: 5 U.S.C 9501 *et seq.*; secs. 1201, 1204, Pub. L. 105-206, 112 Stat. 685, 715-716, 722 (26 U.S.C. 7804 note).

SOURCE: T.D. 8830, 64 FR 42835, Aug. 6, 1999 unless otherwise noted.

REGULATIONS APPLICABLE BEFORE OCTOBER 17, 2005

§ 801.1 Balanced performance measurement system; in general.

(a) *In general*—(1) The regulations in this part 801 implement the provisions of sections 1201 and 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-106, 112 Stat. 685, 715-716, 722) and provide rules relating to the establishment by the Internal Revenue Service of a balanced performance measurement system.

(2) Modern management practice and various statutory and regulatory provisions require the IRS to set performance goals for organizational units and to measure the results achieved by those organizations with respect to those goals. To fulfill these requirements, the IRS has established a balanced performance measurement system, composed of three elements: Customer Satisfaction Measures; Employee Satisfaction Measures; and Business Results Measures. The IRS is likewise required to establish a performance evaluation system for individual employees.

(b) [Reserved]

[T.D. 8830, 64 FR 42835, Aug. 6, 1999, as amended by T.D. 9227, 70 FR 60215, Oct. 17, 2005]

§ 801.2 Measuring organizational performance.

(a) *In general*. The performance measures that comprise the balanced measurement system will, to the maximum extent possible, be stated in objective, quantifiable and measurable terms and, subject to the limitation set forth in paragraph (b) of this section, will be used to measure the overall performance of various operational units within the IRS. In addition to implementing the requirements of the Internal Revenue Service Restructuring and